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2 April 1982

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MEMORANDUM FOR THE PRESIDENT
THE VICE PRESIDENT
THE SECRETARY OF STATE
THE SECRETARY OF DEFENSE
THE COUNSELLOR TO THE PRESIDENT
ASSISTANT TO THE PRESIDENT FOR
NATIONAL SECURITY AFFAIRS
THE CHIEF OF STAFF TO THE PRESIDENT
THE DEPUTY CHIEF OF STAFF TO THE PRESIDENT
THE CHAIRMAN, JOINT CHIEFS OF STAFF

SUBJECT: SNIE 12.6-82, Poland's Prospects for the
Next 12 to 18 Months

1. I am sending you this copy of a Special National Intelligence Estimate recently produced by the Intelligence Community on Poland's Prospects Over the Next 12 to 18 Months.

2. The take-off point for the SNIE is the imposition of martial law which so changed the country's political dynamics that a very broad assessment of the situation was necessary. In the process the SNIE became longer than we would have preferred. For that reason, let me highlight for you the SNIE's major findings:

--The primary Soviet and Polish regime priority is control.

--There is little prospect over the next year or so for political accommodation between the Jaruzelski regime and Polish society, although the regime may well approve certain cosmetic changes in martial law designed to secure a relaxation of Western sanctions. The likelihood is for continued or intensified repression.

--The chances that unorganized violence will occur in the coming months are very high. However, we think that the internal security forces are strong enough to keep any disturbances localized and prevent nationwide disorder--if necessary with the support of some reliable military units. Thus the likelihood of a Soviet military intervention is slight.

APPROVED FOR RELEASE

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BY S/SJ

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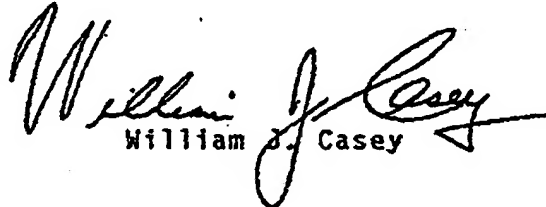
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--The economic situation is still deteriorating, and it is problematic whether a disastrous further slide can be prevented. The key factor is a shortage of Western imports, which is exacerbated by the impact of Western sanctions.

--Warsaw will be unable to make any significant principal payments on its \$27 billion dollar debt for the foreseeable future, and will not meet much of the \$2.5 billion dollars in interest due banks in 1982. The risk of default will continue to grow.

--In short, the West cannot expect its pressure to lead to serious political liberalization in Poland over the near term. The most we can hope for is that the combination of Soviet and Polish need for Western economic cooperation, steadfast Western rejection of business-as-usual, and continued passive resistance to the authorities by the Polish population will have some moderating influence on the regime and maintain the possibility of long-term compromise within Polish society.


William J. Casey

Attachment:
As stated